

PUBLIC DISCLOSURE

February 8, 2010

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FIRST PRIORITY CREDIT UNION

100 SWIFT STREET
BOSTON, MA 02108

DIVISION OF BANKS
1000 WASHINGTON STREET
BOSTON, MA 02110

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act (“CRA”) requires the Massachusetts Division of Banks (“Division”) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the CRA performance of **First Priority Credit Union (or the “Credit Union”)** prepared by the Division, the institution's supervisory agency.

INSTITUTION'S CRA RATING: This institution is rated “Satisfactory”.

First Priority Credit Union was evaluated on its performance under the CRA under the Small Institution CRA Evaluation Procedures specified for institutions with assets under \$250 million, adjusted annually. A summary of the Credit Union's performance is provided below. The rating of this institution is based upon the results of a review under the criterion as shown in the public evaluation.

The analysis includes residential mortgage data as reported by the Credit Union pursuant to the Home Mortgage Disclosure Act (“HMDA”) for 2008 and 2009.

The Credit Union's responsiveness to community credit needs is considered adequate given the institution's size and assessment area credit needs.

Loan-to-Share Analysis

The Credit Union's average loan-to-share ratio over the previous eight quarters is calculated to be 99.4 percent and is deemed reasonable. The first four quarters under analysis indicated a stable ratio averaging approximately 117 percent. A significant decrease in the ratios occurred during the last four quarters under analysis as the Credit Union experienced a significant increase in deposits as well as loans. Deposit growth significantly outpaced loan growth resulting in a decrease in the loan-to-share ratio.

Lending in the Assessment Area

The Credit Union originated a majority of its loans inside its assessment area. For the time period covered, the Credit Union originated and purchased 515 HMDA reportable loans, of which 293 or 56.8 percent were inside its assessment area. Of the 375 mortgage lenders who reported home mortgage originations or purchases in 2008, the Credit Union ranked 87th in market share.

Distribution of Credit Among Different Income Levels

The Credit Union had a good level of originations to low- and moderate-income borrowers. Of the 92 loans originated inside the assessment area in 2008, 8 loans or 8.7 percent were originated to low-income borrowers while 23, or 25 percent, were originated to moderate-income borrowers. The Credit Union's percentage of originations to low- and moderate-income borrowers compares favorably with aggregate performance level for 2008, the latest available data at the time of the review, whereby 4 percent of all originations were to low-income borrowers and 15.5 percent were to moderate-income borrowers. In 2009, with the impact of its relationship with a regional mortgage lender being registered, the Credit Union more than doubled the number of originations inside its assessment area to 201. However, because of this relationship, loans purchased and originated were primarily to upper-income borrowers and the Credit Union's percentage of originations to low- and moderate-income borrowers decreased to 3 and 14.4 percent, respectively. Overall, the Credit Union displayed a reasonable penetration of originations to low- and moderate-income borrowers.

Geographic Distribution

The Credit Union's performance level under this criterion displayed reasonable dispersion of loan originations throughout the varying income levels of Census tracts. The Credit Union originated 2.1 percent of its HMDA reportable loans in low-income census tracts, 23.2 percent in moderate-income tracts, 35.5 percent in middle and 39.2 percent in upper income tracts for the two-year time period. This performance level compares favorably to the dispersion of owner-occupied housing units within the assessment area as well as aggregate performance levels for 2008.

Review of Complaints and Fair Lending Policies and Practices

Based upon the review of the Credit Union's public comment file and its performance relative to fair lending policies and practices, no violations of anti-discrimination laws and regulations were identified.

Minority Application Flow

A review of residential mortgage applications for 2008 and 2009 indicated that the Credit Union had relatively low performance levels of receiving applications from minority and Hispanic or Latino applicants when compared to aggregate performance levels as well as the demographics of its assessment area. The Credit Union had a total of 17 minority applications for the two-year time period representing 5 percent of all applications. Hispanic or Latino applications represented 1.2 percent of all applications with a total of 4.

DESCRIPTION OF INSTITUTION

First Priority Credit Union was chartered in 1924. Originally known as the Boston Post Office Employees Credit Union, the intent was to meet the financial needs of the postal employees in Massachusetts. Following a merger with the Lowell Postal Credit Union, the title was changed to Postal Community Credit Union in June of 2001, in anticipation of an expanded field of membership. In response to US Postal Service downsizing, the title was again changed to First Priority Credit Union in 2007. Currently, membership in the Credit Union is open to any and all Federal, Massport, or Postal community members (including employees, retirees, and their family members) and those who work or live in the Essex and Suffolk counties of Massachusetts. The Credit Union currently has 9,240 members.

The Credit Union's main office is listed as 25 Dorchester Avenue in Boston. However, it also operates a full-service branch office located in East Boston at 100 Swift Street, which is also the main administrative, marketing, and finance center of the Credit Union, as well as the primary office location of the Chief Executive Officer. Main Office hours of operation are from 7:00am through 4:00pm Mondays through Fridays, with extended hours to 6:00pm on Thursdays. Hours of operation in East Boston are 8:00am to 4:00pm Monday through Wednesday, 8:00am to 5:00pm Thursdays and Fridays, and Saturdays from 9:00am through 12:30pm. The drive-up service in East Boston is available between the hours of 7:00am and 5:00pm Monday through Wednesday, 7:00am to 6:00pm Thursday and Friday, and 9:00am and 12:30pm on Saturday.

First Priority Credit Union offers 24-hour online services, which allow members to check balances, make deposits, reorder checks, make bill payments, perform transactions, and fill out instant loan applications. The Credit Union also offers a 24-hour telephone lending center, as well as a telephone branch service allowing members to make transactions.

Since the last examination, three branches were closed and one was opened. The Waltham and Lowell branches, located in limited access postal facilities, were closed by the end of 2009 due to limited growth potential and overall lack of activity. The East Boston branch located at 175 McClellan Highway was closed in May of 2009, and all operations were subsequently moved to the newly completed branch at 100 Swift Street.

As of December 31, 2009, assets totaled \$144,965,102. Total loans as of this date were \$103,501,326 or 71.4 percent of total assets. First mortgage loans and other real estate secured lines of credit represent the majority (94.7 percent) of the Credit Union's loan portfolio. Please refer to the following table for further information regarding the composition of the loan portfolio.

Table 1 First Priority Credit Union Loan Distribution as of September 30, 2008		
Loan Type	Dollar Amount \$	Percent (%)
Secured by:		
1 st Mortgage Real Estate Loan/Lines of Credit	\$43,571,434	42.1%
Other Real Estate Loans/Lines of Credit	\$54,434,666	52.6%
Used Vehicle Loans	\$1,121,867	1.1%
All Other Unsecured Loans/Lines of Credit	\$3,466,005	3.3%
New Vehicle Loans	\$810,964	0.8%
All Other Loans/Lines of Credit	\$96,390	0.1%
Total	\$103,501,326	100.0

Source: Call Report Data

The Division last examined the Credit Union for compliance with the CRA on June 1, 2001. That examination resulted in a CRA rating of “High Satisfactory”. There are no apparent financial or legal impediments that would limit the Credit Union’s ability to help meet the credit needs of its members.

DESCRIPTION OF ASSESSMENT AREA

The CRA requires financial institutions to define an assessment area within which its CRA performance will be evaluated. The Division evaluates the institution’s CRA Performance based upon the defined assessment area. The Office of Management and Budget establishes Metropolitan Statistical Areas (“MSA”) for statistical reporting purposes by federal agencies. The Credit Union’s assessment area contains 28 cities and towns located in the counties of Middlesex, Essex, Suffolk and Norfolk in the Cambridge-Newton-Framingham MSA, the Peabody MSA, and the Boston-Quincy MSA. The assessment area included the following cities and towns: Cambridge, Somerville, Medford, Arlington, Saugus, Stoneham, Melrose, Malden, Everett, Revere, Chelsea, Winthrop, Boston, Brookline, Newton, Needham, Weston, Wellesley, Dedham, Westwood, Milton, Quincy, Braintree, Randolph, Weymouth, Belmont, Waltham, and Watertown.

The assessment area is comprised of 392 census tracts, of which 40 or 10.2 percent are designated as low-income; 121 or 30.9 percent, as moderate-income; 152 or 38.8 percent as middle-income; 78 or 19.9 percent, as upper-income. One tract or .2% was not applicable to any income level.

Based on 2000 U.S. Census data, the total population of the assessment area is 1,731,384 individuals. Of the total population within the assessment area, 7.7 percent reside in low-income tracts, 32.9 percent of the population resides in moderate-income tracts, 39.1 percent reside in middle-income census tracts, and 20.2 percent reside in upper-income tracts. 0.1 percent of the population does not reside in any defined income tract.

According to 2000 Census data the assessment area contains 386,924 total families. The HUD adjusted Median Family Income (MFI) for the assessment area was \$84,140 in 2008 and \$88,442 in 2009. Using data collected during the 2000 Census, the breakout of families by income level is as follows: 25.4 percent are low-income, 18.4 percent are moderate-income, 20.9 percent are middle-income, and 35.3 percent are upper-income. Approximately, 11.9 percent of families are below the poverty level.

Housing units within the assessment area total 724,629, of which 326,583 or 45.1 percent are owner-occupied, and 383,481 or 52.9 percent are rental units. Of the owner-occupied units within the assessment area, 2.4 percent are located in low-income census tracts, 22.6 percent are in moderate-income census tracts, 47.1 percent are in middle-income tracts, and 27.9 percent are in upper-income tracts.

The following table provides demographic and economic information pertaining to the Credit Union's assessment area.

Table 2							
Selected Housing Characteristics by Income Category of the Geography							
Geographic Income Category	Percentage						Median Home Value
	Census Tracts	House- Holds	Housing Units	Owner- Occupied	Rental Units	Vacant Units	
Low	10.2	6.7	6.9	2.4	10.7	11.7	201,572
Moderate	30.9	32.1	32.1	22.6	40.3	31.8	200,689
Middle	38.8	40.5	40.3	47.1	34.7	34.7	235,462
Upper	19.9	20.7	20.7	27.9	14.3	21.8	407,481
N/A	0.2	0.0	0.0	0.0	0.0	0.0	0
Total of Median	100.0	100.0	100.0	100.0	100.0	100.0	261,301

Source: 2000 U.S. Census

The table above displays the median housing value in the assessment area according to the 2000 Census data. More recent data obtained from the *Warren Group*, Publisher of Banker and Tradesman, indicates that the median housing value in the assessment area ranged from a low of \$200,000 in Chelsea to a high of \$1,587,188 in Weston in 2008.

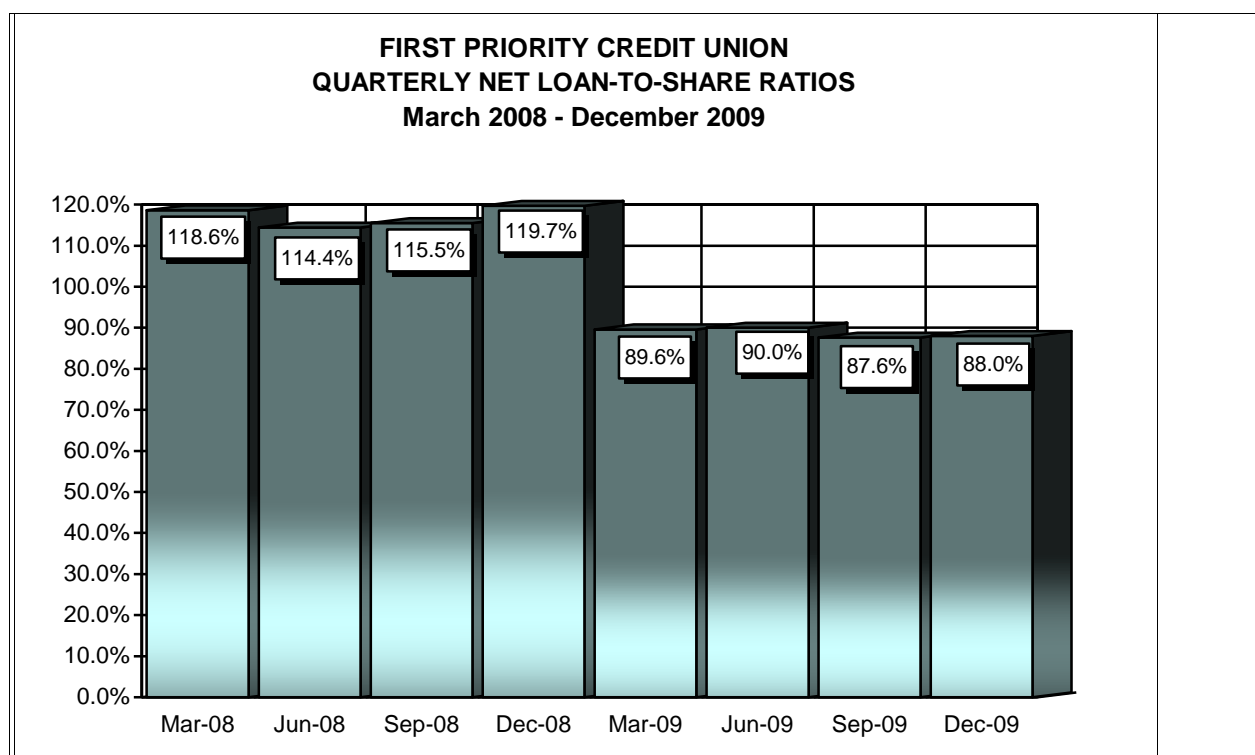
CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

1. LOAN TO SHARE ANALYSIS

This performance criterion determines what percentage of Credit Union's deposit (share) base is reinvested in the form of loans. The appropriateness of the Credit Union's LTS was evaluated. The analysis was performed using National Credit Union Administration ("NCUA") quarterly call report data for the period ending March 31, 2008 through December 31, 2009. The analysis was conducted to determine the extent of the Credit Union's lending compared to shares received from its membership.

The Credit Union's average LTS ratio for the time period was calculated at 99.4 percent. The following graph depicts the net LTS ratios for each quarter under review.



Source: Call Report Data

As displayed in the table above, the LTS ratios were relatively stable for the first four quarters, averaging approximately 117%. There was a significant decline to approximately 89% during the remaining four quarters. This change in ratios can be directly attributed to two major factors – loan purchases and attraction of share deposits. During the time period covered, deposit growth significantly out-paced loan growth, particularly in 2009. The Credit Union's shares increased approximately 84.4 percent, from \$63,414,250 as of

March 31, 2008 to \$116,960,182 as of December 31, 2009, while net loans increased approximately 36.7 percent, from \$75,239,796 as of March 31, 2008, to \$102,875,224 as of December 31, 2009.

The substantial shift in the LTS ratio appeared during the first quarter of 2009. Between January and March 2009, shares rose 36.3 percent from \$66,168,683, to \$90,194,587. Premium savings and CD rates offered at the recently built East Boston branch were all part of a concentrated effort by management to expand the membership base.

Over this same time period, the Credit Union entered into a relationship with a regional mortgage lender agreeing to purchase loans. This relationship resulted in a significant increase in the Credit Union's loan portfolio. For calendar years 2008 and 2009, the Credit Union purchased approximately \$41.4 million in loans, the vast majority from the aforementioned regional lender. The relationship with the regional mortgage lender has been significantly curtailed since March 2010.

During the same calendar years, the Credit Union sold approximately \$37.8 million of loans to the secondary market. The sale of these loans had a negative impact on the loan-to-share ratios; however, ratio levels remained at acceptable levels.

The LTS ratio was also compared to three other similarly situated institutions to assist in forming conclusions about the appropriateness of the Credit Union's LTS.

Table 4 Net Loan-to-Deposit Ratio Comparison		
Institution	Net LTS December 31, 2009	Asset Size \$(000)
St. Jean's Credit Union	72.1%	133,846
Mass Bay Credit Union	85.2%	173,149
Community Credit Union of Lynn	101.2%	129,664
First Priority Credit Union	88.0%	144,965

As displayed in table 4 above, the Credit Union's LTS ratio was comparable to all of the three similarly situated institutions. Given the Credit Union's size, financial condition, and the characteristics of similar institutions, the LTS ratio appears reasonable. The Credit Union meets the standards for satisfactory performance for this criterion.

2. LENDING IN THE ASSESSMENT AREA

This performance criterion measures the percentage of the Credit Union's lending that benefits the assessment area's residents and evaluates the adequacy of such lending.

Data regarding the Credit Union's HMDA mortgage lending activity for 2008 and 2009 was reviewed to determine the proportion of loans extended within the assessment area by number of originations and dollar amount.

The data revealed that the Credit Union originated or purchased 516 HMDA reportable loans during this period totaling \$94,897,000. Of this number, 293 loans or 56.8 percent of the number and 54.8 percent of the dollar amount were originated within the Credit Union's assessment area. The following table reflects the distribution of the Credit Union's lending inside and outside of its assessment area.

Table 5										
Distribution of HMDA Loans Inside and Outside the Assessment Area										
Year	Number of Loans					Dollars				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$(000's)	%	\$(000's)	%	(000's)
2008	92	54.4	77	45.6	169	12,262	47.2	13,739	52.8	26,001
2009	201	57.9	146	42.1	347	39,743	57.7	29,153	42.3	68,896
Total	293	56.8	223	43.2	516	52,005	54.8	42,892	45.2	94,897

Source: HMDA LAR

As illustrated in table 5 above, 54.4 percent of the number and 47.2 percent of the dollar amount of the Credit Union's HMDA reportable loans were originated inside the assessment area in 2008. The Credit Union's performance improved in 2009, whereby 57.9 percent of the number and 57.7 percent of the dollar amount of total originations were granted inside the assessment area.

Overall lending of HMDA reportable loans increased by approximately 105 percent from 2008 to 2009. The 2009 increase in originations correlates with the revised portfolio strategy toward purchasing a significant amount of loans from the regional lender. It is anticipated that lending activity will decline to more usual levels for the Credit Union due to the curtailing of its relationship with the regional lender as of March 2010.

In 2008, there were 375 lenders who originated or purchased a home mortgage loan within the assessment area. The Credit Union ranked 87th in market share.

Overall, as a majority of the Credit Union's loans originated during the examination period were inside the assessment area, the Credit Union meets the standards for satisfactory performance for this criterion.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

The distribution of loans by borrower income was reviewed to determine the extent to which the Credit Union is addressing the credit needs of the area's residents. The Credit Union's HMDA reportable loans were analyzed to determine the distribution of lending by borrower income level. The borrowers' reported incomes for 2008 and 2009 were compared to the median family incomes for the assessment area. The income figures are based on estimated HUD information.

Low-income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate-income is defined as income between 50 percent and 79 percent of the median family income level for the MSA. Middle-income is defined as income between 80 percent and 119 percent of the median income. Upper-income is defined as income equal to or greater than 120 percent of the median income.

The following table shows, by number and percentage, HMDA reportable loans to low-, moderate-, middle- and upper-income borrowers in comparison to the percentage of total families within the assessment area in each respective income group and the most recent available aggregate lending performance data, which is 2008.

Table 6								
<i>Distribution of HMDA Loans by Borrower Income</i>								
Median Family Income Level	% Total Families	Credit Union Data 2008		Aggregate Lending Data 2008 % of #	Credit Union Data 2009		Total	
		#	%		#	%	#	%
Low	25.4	8	8.7	4.0	6	3.0	14	4.8
Moderate	18.4	23	25.0	15.5	29	14.4	52	17.7
Middle	20.9	18	19.6	22.6	22	10.9	40	13.7
Upper	35.3	43	46.7	40.4	142	70.7	185	63.1
NA	---	---		17.5	2	1.0	2	0.7
Total	100.0	92	100.0	100.0	201	100.0	293	100.0

Source: U.S. Census, HMDA LAR, HMDA Aggregate Data

As displayed in the table above, the Credit Union's assessment area has a high percentage of low- and moderate income families, 25.4 percent and 18.4 percent, respectively. As indicated in the *Description of Assessment Area* section of this evaluation, only 45.1 percent of all housing units are owner-occupied, indicating low homeownership. Based upon the demographic information and housing prices of the assessment area, it would appear that lending opportunities to low- and moderate-income borrowers may be limited. Therefore, the best comparative data for assessing the performance level of the Credit Union would be the aggregate lending data within the assessment area.

The Credit Union originated or purchased 4.8 percent and 17.7 percent of its HMDA reportable loans to low- and moderate-income borrowers for the two-year period covering 2008 and 2009. Lending to middle- and upper-income borrowers were 13.7 percent and 63.1 percent, respectively. As previously indicated, lending activity for the Credit Union inside its assessment area more than doubled from 2008 to 2009 because of its relationship with a regional lender. It is important to note that the relationship with the regional lender resulted in originations or purchases from primarily upper-income borrowers. As shown in the above table, the number and percentage of upper-income borrowers increased substantially while lending to low-, moderate- and middle-income borrowers remained somewhat static.

The Credit Union's performance levels for 2008 compared favorably with aggregate performance levels for the same year. Loans granted to low- and moderate-income borrowers accounted for 33.7 percent of all of the Credit Union's HMDA reportable loans as compared to 19.5 percent for aggregate performance levels of all other lenders. Lending to middle-income borrowers was slightly below aggregate performance levels at 19.6 percent as compared to 22.6 percent. The Credit Union had a higher percentage of upper-income borrowers, 46.7 percent as compared to an aggregate level of 40.4 percent.

While performance levels of lending to low- and moderate-income borrowers on a percentage basis compare favorably to aggregate performance levels, it is important to note that a low number of originations, such as the case is here, may reflect a different percentage level of performance with just the smallest change in originations from one category to another. Of the 375 lenders who originated or purchased home mortgage loans in 2008, the Credit Union ranked 28th in lending to low-income applicants and 49th in lending to moderate-income applicants.

Performance levels for 2009 revealed a similar number of originations by the Credit Union to low-, moderate- and middle-income borrowers. There was a slight increase in originations to moderate- and middle-income borrowers over 2008 levels and a slight decline in originations to low-income borrowers. The percentage of originations in each of those categories for 2009 decreased significantly because of the previously mentioned increase in upper-income borrower originations and purchases.

Based on the above analysis, the Credit Union has achieved reasonable penetration of home loans among borrowers of different income levels, including those of low- and moderate-income. Therefore, the loan distribution by borrower income meets the standards for satisfactory performance.

4. GEOGRAPHIC DISTRIBUTION

The geographic distribution of loans was reviewed to assess how well the Credit Union is addressing the credit needs throughout the assessment area. As stated in the *Performance Context*, there are 392 census tracts in the assessment area, of which 40 or 10.2 percent are designated as low-income; 121 or 30.9 percent, as moderate-income; 152 or 38.8 percent as middle-income; 78 or 19.9 percent, as upper-income. One census tract or .2 percent was not applicable to any income level. The Credit Union's lending activity within the assessment area was reviewed in order to determine the distribution of lending among the various census tracts.

The following table provides a breakdown by number of the Credit Union's HMDA reportable loans within its assessment area according to the Census tract income level. The table also shows the loans in comparison to the percentage of owner-occupied housing units in each of the Census tract income categories as well as the aggregate lending performance for 2008. Refer to the following table.

Table 7 <i>Distribution of HMDA Loans by Income Category of the Census Tract</i>								
Median Family Income Level	% Total Owner-Occupied Housing Units	Credit Union Data 2008		Aggregate Lending Data 2008 % of #	Credit Union Data 2009		Total	
		#	%		#	%	#	%
Low	2.4	2	2.2	3.9	4	2.0	6	2.1
Moderate	22.6	24	26.1	24.6	44	21.9	68	23.2
Middle	47.1	40	43.5	44.2	64	31.8	104	35.5
Upper	27.9	26	28.2	27.3	89	44.3	115	39.2
Total	100.0	92	100.0	100.0	201	100	293	100.0

As indicated in the above table, the Credit Union originated 2.1 percent of its HMDA reportable loans in low-income Census tracts, 23.2 percent in moderate-income tracts, 35.5 percent in middle and 39.2 percent in upper-income tracts for the two year time period. This performance level compares favorably to the dispersion of owner-occupied housing units within the assessment area with the slight exception of originations in middle-income tracts falling below dispersion levels and upper tract originations slightly higher.

Performance levels for 2008 compared favorably to both the percentage of owner-occupied housing units as well as aggregate performance levels. Originations in low-income tracts were slightly below aggregate performance and percentage of owner-occupied unit levels; however, moderate-income tract originations were slightly better. Originations in middle- and upper-income tracts somewhat mirrored aggregate performance levels.

As previously mentioned, the level of originations increased significantly in 2009. The percentage of originations in low- and moderate-income Census tracts remained favorable and comparable to the percentage of owner-occupied units. The percentage of originations in middle-income tracts substantially decreased while the percentage of originations in upper-income areas significantly increased. The percentage of originations in each of those categories for 2009 reflects the effects of the demographics of the previously mentioned increase in upper-income borrower originations and purchases.

Overall, the Credit Union's distribution of HMDA reportable loans by Census tract income level reflects a reasonable dispersion of loans throughout the assessment area. Therefore, the Credit Union meets the standards for satisfactory performance in this category.

5. Review of Complaints and Fair Lending Policies and Practices

Based upon the review of the Credit Union's public comment file and its performance relative to fair lending policies and practices, no violations of the anti-discrimination laws and regulations were identified. The Credit Union received no complaints pertaining to the institution's CRA performance since the previous examination.

Currently, the Credit Union has 34 employees. The institution does not track the race or ethnicity of its employees; however, six employees are bilingual in languages which include Spanish, Cantonese, Mandolin, Toishan, Vietnamese, and Italian.

The Credit Union offers seminars to Credit Union officers and staff regarding compliance with the CRA, HMDA, Equal Credit Opportunity Act (ECOA) and other fair lending regulations. Training is targeted at 40 hours annually and is primarily offered through on-line resources and attendance and training materials from industry sponsored seminars.

The Credit Union's CRA policy prohibits discrimination against all the prohibited classes listed under ECOA and the Fair Housing Act (FHA). Also included in the Credit Union's policies are procedures for the second review process of denied loan applications.

MINORITY APPLICATION FLOW

A review of residential loan applications was conducted in order to determine the number of HMDA-reportable credit applications the Credit Union received from minority applicants. During this period, 17 applications, or 5.0 percent were received from racial and ethnic minorities, all of which were originated.

MINORITY APPLICATION FLOW								
RACE	2008 Credit Union Data		2008 Aggregate Data		2009 Credit Union Data		Credit Union TOTAL	
	#	#	#	%	#	%	#	%
<i>American Indian/ Alaska Native</i>	0	0.0	157	0.2	0	0.0	0	0.0
<i>Asian</i>	2	1.5	5,251	6.4	7	3.4	9	2.6
<i>Black/ African American</i>	1	0.7	5,524	6.7	2	1.0	3	0.9
<i>Hawaiian/Pac Isl.</i>	0	0.0	228	0.3	0	0.0	0	0.0
<i>2 or more Minority</i>	0	0.0	71	0.1	0	0.0	0	0.0
<i>Joint Race (White/Minority)</i>	1	0.7	1,034	1.3	4	1.9	5	1.5
Total Minority	4	2.9	12,265	14.8	13	6.3	17	5.0
<i>White</i>	129	94.2	49,352	59.8	189	91.3	318	92.4
<i>Race Not Available</i>	4	2.9	20,948	25.4	5	2.4	9	2.6
Total	137	100.0	82,565	100.0	207	100.0	344	100.0
ETHNICITY								
<i>Hispanic or Latino</i>	2	1.5	3,870	4.7	2	1.0	4	1.2
<i>Not Hispanic or Latino</i>	130	94.9	57,151	69.2	196	94.7	326	94.8
<i>Joint (Hisp/Lat /Not Hisp/Lat)</i>	2	1.5	606	0.7	4	1.9	6	1.7
<i>Ethnicity Not Available</i>	3	2.1	20,938	25.4	5	2.4	8	2.3
Total	137	100.0	82,565	100.0	207	100.0	344	100.0

Source: US Census, HMDA LAR, HMDA Aggregate Data

The Credit Union's minority application flow for this period was compared with the racial and ethnic composition of the assessment area and the 2008 aggregate data for all other HMDA reporters within the assessment area. The comparison of these data assists in deriving reasonable expectations for the rate of applications the Credit Union received from minority residential loan applicants.

The Credit Union's assessment area contains a minority population of 30.1 percent and a Hispanic population of 8.5 percent. Aggregate performance levels for 2008 indicate that 14.8 percent of all applications were from minorities and 4.7 percent were Hispanic. The Credit Union attracted 2.9 percent of its applications from minorities and 1.5 percent from Hispanics.

A review of residential mortgage applications for 2008 and 2009 indicated that the Credit Union had relatively low performance levels of receiving applications from minority and Hispanic or Latino applicants when compared to aggregate performance levels as well as the demographics of its assessment area. The Credit Union had a total of 17 minority applications for the two-year time period, representing 5 percent of all applications. Hispanic or Latino applications represented 1.2 percent of all applications with a total of 4.

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws chapter 167, section 14, as amended, requires all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at 100 Swift Street, East Boston, MA 02108."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agencies, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.